

## Message Text

CONFIDENTIAL

PAGE 01 BRUSSE 11402 01 OF 02 081751Z  
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 EURE-00 USIE-00 SP-02 AID-05  
EB-08 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03  
H-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 LAB-04  
SIL-01 AGRE-00 AF-10 ITC-01 SSO-00 NSCE-00 INRE-00  
EA-10 NEA-10 OPIC-03 /115 W  
-----016475 081814Z /53

O 081726Z SEP 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 1722

INFO AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 11402

USOECD ALSO FOR EMBASSY

ALSO FOR USEEC

E.O. 11652: GDS

TAGS: PFOR, EGEN, EEC, BE, US

SUBJECT: BELGIAN EC PRESIDENCY: SEPTEMBER 7 PRE-UNGA

CONSULTATIONS: ECONOMIC ISSUES

REF: STATE 201127 AND 205678

1. U.S. DELEGATION (EB DEPUTY ASSISTANT SECRETARY  
BOSWORTH, IO DEPUTY ASSISTANT SECRETARY FRANK, USUN REP  
WILSON), ACCOMPANIED BY EMBASSY AND USEC OFFICERS, HELD  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 11402 01 OF 02 081751Z

PRE-UNGA CONSULTATIONS ON ECONOMIC ISSUES WITH BELGIAN  
EC PRESIDENCY REPRESENTATIVES ON MORNING OF SEPTEMBER 7.  
FOLLOWING ARE HIGHLIGHTS OF SESSION DEVOTED TO ECONOMIC  
TOPICS LIKELY TO ARISE AT 31ST RESUMED SESSION AND 32ND  
REGULAR SESSION OF UNGA. AFTERNOON SESSION ON POLITICAL  
ISSUES REPORTED SEPTTEL.

2. COMMON FUND (CF) AND INTEGRATED PROGRAM (IP).

ALTHOUGH NOT UNGA ITEM PER SE, MORNING DISCUSSION BEGAN WITH EXTENSIVE EXCHANGE OF VIEWS ON CF AND IP. BOTH U.S. AND BELGIAN REPS AGREED THAT NOVEMBER CF NEGOTIATING CONFERENCE IN GENEVA EXTREMELY UNLIKELY TO REACH FINAL AGREEMENT ON CF. BELGIANS THOUGHT SOME GENERAL PRINCIPLES AND A FEW TECHNICAL DETAILS MIGHT BE RESOLVED IN NOVEMBER, BUT THAT AGREEMENT ON CF IS STILL FAR IN THE FUTURE. EC HAS NO CLEAR READING OF PROBABLE G-77 INTENTIONS AT NOVEMBER MEETING BUT INTENDS TO PROBE INFLUENTIAL G-77 MEMBERS IN COMING WEEKS. ON LATTER POINT, USDEL (BOSWORTH) NOTED U.S. PLANS FOR SIMILAR BILATERALS AND STRESSED NECESSITY FOR CLOSE COORDINATION BETWEEN EC AND U.S. AS CF CONFERENCE APPROACHES, INCLUDING POSSIBILITY OF COORDINATED APPROACHES TO INFLUENTIAL LDC'S. GIVEN LIKELY INDEFINITE NATURE OF CF NEGOTIATIONS AND LIMITED DC ABILITY TO MEET LDC DEMANDS, U.S. BELIEVES IT ESSENTIAL TO AVOID DANGER OF EC AND U.S. LEAPFROGGING ONE ANOTHER THROUGH LACK OF COORDINATION AND MISUNDERSTANDING.

3. CF OTHER MEASURES. BELGIAN REPS ADVANCED TENTATIVE IDEA THAT, GIVEN CURRENT LACK OF COMMODITY AGREEMENTS, ONE POSSIBLE SUCCESSFUL EXIT FROM NOVEMBER CF TALKS COULD BE DC AGREEMENT TO LIMITED CF FINANCING OF "OTHER MEASURES" (E.G., PRODUCTION OR MARKETING RESEARCH OF CERTAIN COMMODITIES). USDEL OPPOSED THIS IDEA ON GROUNDS THAT G-77

CONFIDENTIAL

PAGE 03 BRUSSE 11402 01 OF 02 081751Z

(PARTICULARLY AFRICANS) ENVISAGES "OTHER MEASURES" AS INDEPENDENT SOURCE OF DEVELOPMENT FINANCING, A VIEW WHICH U.S. STRONGLY REJECTS. BOSWORTH STATED THAT U.S. WISHES TO PRESERVE DISTINCTION BETWEEN CF, WHICH SHOULD ONLY HAVE PURPOSE OF FACILITATING COMMODITY STOCKPILING, AND DEVELOPMENT ASSISTANCE ORGANIZATIONS. U.S. IS, HOWEVER, WI-LING TO CONSIDER CF FINANCIAL COMMITMENTS FOR "OTHER MEASURES" WITHIN CONTEXT OF INDIVIDUAL PRODUCER/CONSUMER AGREEMENTS (E.G., HARD FIBERS AND JUTE).

4. INDIVIDUAL COMMODITIES. BELGIAN AND U.S. REPS IN GENERAL AGREEMENT THAT RUBBER AND PERHAPS COPPER OFFERED BEST HOPES FOR FUTURE PROGRESS. RUBBER NEGOTIATING CONFERENCE COULD BEGIN EARLY 1978 IF PRESENT TECHNICAL WORKING-LEVEL DISCUSSIONS LEAD TO EXPECTED CONCLUSIONS THAT RUBBER AGREEMENT WOULD HAVE DISTINCT POLITICAL ADVANTAGES AT REASONABLE ECONOMIC COST. ON SUGAR, U.S. REPS MADE STRONG PITCH FOR EC PARTICIPATION IN NEW INTERNATIONAL SUGAR AGREEMENT (ISA). U.S. RECOGNIZES EC DIFFICULTIES WITH EXPORT CONTROL MECHANISM BUT BELIEVES ISA IS NOT POSSIBLE WITHOUT EC PARTICIPATION. U.S. REPS EXPRESSED HOPE THAT EC COULD WORK OUT EXPORT QUOTA EQUIVALENT; E.G.,

SPECIAL STOCKING ARRANGEMENTS. SPEED IS OF ESSENCE;  
IF SUGAR AGREEMENT NOT CONCLUDED BY END OF YEAR, STRONG  
LIKELIHOOD EXISTS THAT ADMINISTRATION COULD BE FORCED TO  
TAKE PROTECTIONIST MEASURES. PRESENT 6-8 CENT A  
POUND RANGE IS "DISASTER" FOR MANY SMALL DEVELOPING  
COUNTRIES, WHO RELY ON SUGAR AS MAJOR EXPORT EARNER. U.S.  
REPS ALSO POINTED OUT THAT AGREEMENT COULD ALSO LEAVE  
IMPORTANT FAVORABLE IMPACT ON OVERALL NORTH-SOUTH DIALOGUE.

5. RESUMED 31ST UNGA SESSION REVIEW OF CIEC RESULTS.  
BELGIAN REPS DISTRIBUTED COPIES OF LATEST G-27 DRAFT

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BRUSSE 11402 02 OF 02 081758Z  
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 EURE-00 SP-02 AID-05 EB-08  
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-01  
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 LAB-04  
SIL-01 AF-10 AGRE-00 ITC-01 SSO-00 NSCE-00 INRE-00  
USIE-00 EA-10 NEA-10 OPIC-03 /115 W  
-----016584 081813Z /53

O 081726Z SEP 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 1723

INFO AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 02 OF 02 BRUSSELS 11402

USOECD ALSO FOR EMBASSY

RESOLUTION ON CIEC FOR 31ST RESUMED SESSION (SEE USUN  
2894). BOTH SIDES AGREED THAT DRAFT TEXT FAR WORSE FROM  
DC VIEW THAN EARLIER YUGOSLAV VERSION. U.S. REPS SAID  
THAT TEXT WAS SO BAD THAT DC'S MAY WISH TO CONSIDER  
TABLING COUNTERTEXT. BELGIANS SAID THAT  
SEPTEMBER 6 EC POLITICAL DIRECTORS MEETING HAD BEEN

SKEPTICAL THAT COUNTERTEXT WAS FEASIBLE, BUT ACKNOWLEDGED THIS WAS IN CONTEXT OF CONSIDERING SOFTER YUGOSLAV DRAFT. U.S. THOUGHT COUNTERTEXT COULD HARDLY BE REGARDED AS PROVOCATIVE FOLLOWING PRESENT G-77 TEXT, THAT NECESSARY COORDINATION COULD TAKE PLACE IN NEW YORK AND THAT MOST  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 11402 02 OF 02 081758Z

IF NOT ALL OF GROUP B COULD REACH AGREEMENT ON COUNTER-TEXT BY NEXT WEEK. BOTH SIDES UNCERTAIN WHETHER NEW TEXT REPRESENTS TOUGHENING OF G-77 POSITION OR IS MERELY TACTICAL NEGOTIATING MANEUVER.

6. BELGIANS ALSO NOTED THAT G-8 FOLLOW-UP ON CIEC SPECIAL ACTION FUND COMMITMENT COULD USEFULLY BE COORDINATED AT SOME POINT. ONE VENUE FOR THIS MIGHT BE THE OECD HIGH LEVEL DEVELOPMENT GROUP. U.S. REPS EXPRESSED RESERVATIONS ON THIS LAST POINT, BUT AGREED TO STUDY THE GENERAL QUESTION AND CONSULT WITH THE EC ON IT IN THE NEAR FUTURE.

7. FORUM FOR CONTINUED NORTH/SOUTH DIALOGUE. U.S. EXPRESSED OPENMINDEDNESS ABOUT OVERVIEW N/S MECHANISM IN WAKE OF CIEC. U.S. IS RECONCILED TO UN VENUE, WITH SLIGHT TENDENCY IN FAVOR OF LIMITED MEMBERSHIP BODY. G-77, HOWEVER, APPEARS LUKEWARM TO RECENT VENEZUELAN PROPOSAL ALONG THESE LINES. U.S. REP SAID THAT U.S. IS NOT RPT NOT CAMPAIGNING FOR AN OVERVIEW MECHANISM, BUT NOTED THAT DC'S WILL HAVE TO FACE ISSUE AND HAVE A RESPONSE ONCE G-77 REACHES INTERNAL AGREEMENT ON THE ISSUE. U.S. AND BELGIANS AGREED THAT NEGOTIATION OF SPECIFIC N/S ISSUES MUST BE KEPT IN SPECIFIC, COMPETENT FORA, WITH ANY OVERVIEW GROUP CONFINED TO ONLY BROAD DISCUSSION AND REVIEW OF PROGRESS MADE.

8. DEBT. BOTH BELGIAN AND U.S. REPS AGREED THAT UNCTAD SHOULD NOT EXTEND ITS RESPONSIBILITIES IN THIS FIELD. HOWEVER, BELGIAN REPS QUESTIONED FEASIBILITY OF U.S. ATTEMPTS TO RESERVE DEBT DISCUSSIONS TO IMF/IBRD DEVELOPMENT COMMITTEE (DC). FROM EC VIEWPOINT, ONE PROBLEM IS THAT TIMING OF UNCTAD TDB MINISTERIAL  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BRUSSE 11402 02 OF 02 081758Z

(JANUARY 1978) WILL PRECEDE BEGINNING OF DC WORK (MARCH OR APRIL 1978). WHAT THEN CAN DEVELOPED COUNTRIES SAY ON DEBT AT THE TDB MINISTERIAL? EC WOULD LIKE TO USE JOINT US-EC CIEC PAPER ON DEBT AT TDB MINISTERIAL BUT

UNDERSTANDS THAT U.S. HAS SO FAR REJECTED THE IDEA. U.S. REPS EXPLAINED RATIONALE FOR U.S. DESIRE TO KEEP DEBT OUT OF UNCTAD TO EXTENT POSSIBLE AND IN LESS POLITICIZED, MORE "REALISTIC" IMF/WORLD BANK FORUM. U.S. PROPOSES THAT SEPTEMBER DC DEPUTIES MEETING SET UP SPECIAL WORKING GROUP TO REPORT TO UNCTAD DEBT EXPERTS MEETING SCHEDULED FOR OCTOBER. DEPENDING ON PROGRESS MADE, U.S. MIGHT AGREE AT THAT TIME TO USE OF SOME ELEMENTS OF US/EC PAPER IN UNCTAD DISCUSSIONS (AS WELL AS DC WORK). WHILE IT WILL BE IMPOSSIBLE TO AVOID DEBT DISCUSSIONS IN TDB MINISTERIAL, U.S. WILL ENCOURAGE FOCUS BE SHIFTED TO OTHER SUBJECTS; E.G., POSSIBLY COMMODITIES.

9. ENERGY AND INTERNATIONAL DEVELOPMENT STRATEGY. DISCUSSION ON BOTH TOPICS WAS VERY BRIEF. BELGIANS WERE IN SUBSTANTIAL AGREEMENT WITH U.S. ON POST-CIEC TACTICS (SEE STATE 205678). CHAMBERS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, ECONOMIC CONDITIONS, DIPLOMATIC DISCUSSIONS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 08-Sep-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BRUSSE11402  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770325-0871  
**Format:** TEL  
**From:** BRUSSELS USEEC  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770988/aaaacvvv.tel  
**Line Count:** 242  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a97aaa4a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 201127  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 13-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1353124  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BELGIAN EC PRESIDENCY: SEPTEMBER 7 PRE-UNGA CONSULTATIONS: ECONOMIC ISSUES  
**TAGS:** PFOR, EGEN, BE, US, EEC  
**To:** STATE USOECD  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a97aaa4a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009